

19 January 1953

MEMORANDUM FOR: Colonel White

SUBJECT : Establishment of a CIA Welfare Association

REFERENCE : Memo dtd 13 Jan 53 for DD/A fr Comptroller, same subject

1. The specific content of your instructions to Mr. Saunders may have indicated that the solution he recommends would be desirable at this time. I would comment, however, that the problem of a welfare association, as I see it, could not be served by a welfare committee nor by a capital of \$1,800-odd.

2. If it is our intent to meet the multitude of financial problems faced by our employees overseas, particularly the lower paid ones, to which the Credit Union even when expanded will not be an adequate answer and for which relief with official funds is of doubtful legality, then there should be some sort of an employee contribution system which would probably require an association and a provision for partial but never full payment.

3. Of course, some of us have long discussed the possibility of combining our insurance association with a welfare function for two purposes. The first, that so often the needs arise from the same event, and, second, that a properly run insurance program should provide certain dividends which could accrue to the welfare fund. Those of us who have discussed the welfare association problem have recognized from the beginning that there are many problems. For example, it would have to be a voluntary membership, which would mean that occasionally we would have a case requiring assistance which could not be covered under the welfare association and, therefore, would still be a problem for Agency relief or some other unsatisfactory solution. Also, problems of administration would be created, but certainly in the long run they would represent a smaller charge to the Agency than the costs we now face without such an association.

4. As an example of the sort of thinking some of us have done about the problem, we discussed a program under which a monthly contribution would be collected from all overseas employees or for that matter from all, domestic and foreign, ranging from a minimum of 25 cents per 28-day pay period for grades GS-7 and below and up to \$2 per 28-day pay period for grades GS-15 and higher. A repayment plan would also be graded but would recognize that ability to pay is variable and that if there were full ability to pay the welfare association would not have been needed in the first place. Our thought was that grades GS-7 and below who had to call upon the welfare fund for assistance would be expected and would agree within the limits of their reasonable ability to repay 25 percent of the loan, and the grades GS-15 and higher would be expected to repay 75 percent of the advance, with appropriate gradations between grades GS-7 and GS-15 and with reasonable time periods for repayment.

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5. Oftentimes, the immediate problem is the big one, and availability of funds at the moment would ease the minds of people overseas, particularly with families, and might even simplify the Agency's task in finding the right people to go overseas. Careful management would be required to insure that a few freeriders did not benefit at the expense of the majority, but with all problems, I think the idea is worth pursuing.

6. Specifically to comment on Mr. Saunders' memorandum and the attached draft of the notice, I believe that if this limited approach is desired at this time that the notice is satisfactory with the exception that paragraph 2, "The purpose of the Welfare Committee is to promote the general welfare of the employees of CIA," is so uninformative as to meaningless. The Recreation Association, the Doctors, and to a large part the Career Program are intended to promote the welfare of the employees. More specific definition of the purpose it seems would be in order, perhaps as follows: "The purpose of the Welfare Committee is to promote the general welfare of the employees of CIA by providing financial assistance to those employees who are faced by unexpected personal expenses which cannot be defrayed by the Agency and for which normal recourse to the Credit Union is not satisfactory."

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